

May 11, 1973

PRESIDENT: We now have the Warner amendment. Do you need to discuss the Warner amendment?

SENATOR WARNER: Mr. President, members of the legislature, in going through section one of the bill is the intent section identical with the original draft.

PRESIDENT: Senator Warner did you want to adopt your amendment first?

SENATOR WARNER: I think that we will need to discuss them first before I ask for a vote.

PRESIDENT: Go ahead.

SENATOR WARNER: The section one as I stated is identical to the original draft in that it is an intent section that spells out that the legislature recognizes its responsibility on the part of the state regarding financial support to schools but it has a purpose the reduction of property tax and place limitations on total expenditures on public schools within the state and that the funds provided under 472 the first year will be in addition to those which are distributed by the present law. Section two, establishes in the state treasury a fund to be known as the public school support trust fund which will be the depository for the sales and income tax that will be collected under the act and which subsequently the legislature will appropriate from in order to fund the act. Section three is the section which spells out the time period in which the increase in the state support will occur or this reflects the committee amendment which originally was three years is now two otherwise the section is identical and it also points out that the state would not provide support for capital construction acquisition funds, payments of interest and principle on any bonded indebtedness. Sub-section two of the section then spells out then specifically what amount or how they arrive at the amount of total state support which will come from the state. The assumption on the bill is that 50% of the support will come from state purposes on the continuing basis and the balance will be from the local property tax after you have subtracted as a state wide basis the other miscellaneous receipts which the district receives. Those receipts which are identified in this section and from the original bill there are four or five added that were not specifically spelled out, other than that the section is identical as to how the bill was originally done. Those, let me explain and use an example now. If you use and estimate the 300 million which would be spent on the state wide in a given year, the present time about 30 million is collected on a state wide basis on a miscellaneous receipts. Under the act you would subtract the 30 million leaving 270 of which half would come from local government or local property tax on a state wide basis. The other half would come from the state sources and this is the purpose then of that section. Sub-section three is the implementation of the two year phase in. The first year this phase in the state pays approximately one-half of the increase

(end belt #4)